

# ASSOCIATED INDUSTRIES OF VERMONT

REPRESENTING THE VERMONT INDUSTRIAL AND BUSINESS COMMUNITY SINCE 1920

July 14, 2008

Walter Poor  
Vermont Department of Public Service  
112 State Street, Drawer 20  
Montpelier, VT 05620-2601

Dear Mr. Poor:

AIV appreciates the opportunity for further comment on the discussion draft and responses to your July 3 comments.

We particularly appreciate the Department's work toward incorporating comments following the last workshop.

With regard to the July 13 comments of VEIC, we would respectfully suggest that reverting to the June 16 draft without addressing the issues raised subsequently would undermine what value the document might have. For our part, we believe that the issues we have addressed in our comments are well grounded in workshop discussions to date and improve the extent to which the document reflects such discussions.

We would offer the following additional comments regarding the three areas we addressed previously on June 20:

## **Opening Disclaimer**

AIV continues to believe that clarity is critical in the opening section of the draft to help ensure that there is no misunderstanding moving forward as to what the document does or does not represent in the sense of consensus on key issues. This is important for all parties, but particularly important for interested parties and other members of the public who have not actively participated in the process to date.

As such, we continue to believe that our initial comments provide the best context for understanding what the document does and does not represent. Nevertheless, we would accept the revisions proposed by the Department on July 3.

## **Energy Efficiency Charge**

In light of some objections raised to addressing alternatives to the EEC in Part I(3), we would simply remind participants that inclusion of such language has been discussed throughout this process. Notably, this issue was included in the Board's May 16 Memorandum. At the subsequent workshop, it was noted that the draft needed further revision to address the issue appropriately.

The EEC is a significant structural problem with the current program, raising serious economic and equity concerns, and appropriate replacements should be developed to the extent possible. As discussed early on in this process, however, developing alternatives would be best addressed by including a placeholder in this document and taking up the issue more directly in the future.

It is therefore not only appropriate, but necessary to include language in this section to address an important missing piece to the June 16 draft.

With regard to the Department's proposed revisions of July 3 to Part I(3), we would respectfully suggest that further clarity about the funding mechanisms being discussed might clear up disagreements about the language to be used.

As intended in the language we put forward, the alternative funding mechanisms addressed in this section would be mechanisms developed and intended specifically to replace, in whole or in part, the EEC. Such alternatives would directly address the EEC and its contribution to the EEU Budget, not the EEU budget itself per se.

In this context, it would be a fundamental contradiction to include language in this section regarding how such mechanisms might supplement the EEU budget -- i.e., augment rather than replace EEC funds.

As such, we continue to support the language we submitted.

Distinct from funding alternatives specifically developed to offset the EEC, addressed in Part I(3), there might well be other independent or new funding sources and mechanisms accessed or developed. This is addressed to some extent in Part V(20). There might well be a debate as to whether and to what extent such funds should supplement or offset other sources of the EEU budget overall. As a general principle, AIV would strongly support offsetting existing sources. In any case, however, a decision to increase or decrease the EEU budget should be informed by all due considerations reviewed in the normal budget process.

On a related note, we would make the additional suggestion that Part V(20) be amended to broaden the charge to identify or develop independent or alternative funding sources beyond the EEU's. It would seem appropriate for the Board, Department, and other stakeholders to be involved in such efforts.

### **Quantitative Performance Indicators**

With regard to the Department's July 3 comments, we would simply clarify that our initial comments focused on including administrative costs and efficiency among the examples cited for future development. Ensuring that administrative cost and efficiency issues are addressed through QPIs has been a very important issue throughout this process, particularly for business community stakeholders. Therefore, it would be important and helpful as this process moves on to cite such examples explicitly in this document.

As such, we continue to support the language we submitted.

We would certainly agree with the Department that specifics and details will have to be addressed at a later point.

If you have any questions regarding these comments, please do not hesitate to contact me at [wdriscoll@aivt.org](mailto:wdriscoll@aivt.org).

Thank you.

Sincerely,

William Driscoll  
Vice President

cc: Service List